

Amendment No. _____

FILED
Date _____
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Clerk _____
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Signature of Sponsor

AMEND Senate Bill No. 572*

House Bill No. 1011

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 68, is amended by adding the following as a new chapter:

68-7-101. This chapter shall be known and may be cited as the "Tennessee Agricultural Medicine Act."

68-7-102. As used in this chapter:

(1) "Agricultural medicine center" means an entity licensed by the commission that acquires, possesses, stores, sells, supplies, or dispenses medical cannabis products, paraphernalia, or related supplies and educational materials to cardholders;

(2) "Allowable amount" means the amount of usable cannabis product based on levels of THC and measured in milligrams that may be dispensed to or for a qualifying patient in a thirty-day period or that may actually be possessed by or for a qualifying patient;

(3) "Authorized form of cannabis" or "authorized form" means a cannabis product produced in a form approved by the commission for dispensation to a cardholder;

(4) "Bona fide practitioner-patient relationship" means a practitioner and patient have a treatment or consulting relationship, during the course of which the practitioner has completed an assessment of the patient's medical history and current medical condition, including an appropriate examination and confirmation of the patient having a debilitating medical condition;



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(5) "Cannabis":

(A) Means all parts of the plant cannabis, whether growing or not; the seeds of the plant; any clones of the plant; the resin extracted from any part of the plant; and every compound, processing, salt, derivative, mixture, or preparation of the plant, including cannabis products; and

(B) Does not include the mature stalks of the plant, fiber produced from the stalks, oil or cake made from the seeds of the plant, any other compound, manufacture, salt, derivative, mixture, or preparation of the mature stalks, except the resin extracted from the mature stalks, fiber, oil, or cake, or the sterilized seeds of the plant which are incapable of germination; or hemp as defined in § 43-26-102 or hemp-based products;

(6) "Cannabis product":

(A) Means cannabis oil, cannabis extract, or a product that is infused with cannabis oil or cannabis extract and intended for use or consumption in a recognized medical modality; and

(B) Includes nasal sprays, capsules, pills, suppositories, transdermal patches, ointments, lotions, lozenges, tinctures, oils, and liquids;

(7) "Cardholder" means a qualifying patient or a designated caregiver who has been issued and possesses a valid registry identification card;

(8) "Class A license" means a license issued in accordance with § 68-7-105 for a single operation of a cultivation facility, processing facility, or agricultural medicine center;

(9) "Class B license" means a license issued in accordance with § 68-7-105 for a partially vertically integrated medical cannabis enterprise consisting of one (1) of the following combinations:

(A) Cultivation facility and processing facility;

(B) Cultivation facility and agricultural medicine center; or

(C) Processing facility and agricultural medicine center;

(10) "Class C license" means a license issued in accordance with § 68-7-105 for a vertically integrated enterprise consisting of one (1) cultivation facility, one (1) processing facility, and at least one (1) but no more than three (3) agricultural medicine centers;

(11) "Commission" means the agricultural medicine commission, created by § 68-7-401;

(12) "Community facility" means:

(A) A licensed child care center, as defined in § 71-3-501;

(B) A public park;

(C) A public playground;

(D) A public swimming pool;

(E) A community center, the primary purpose of which is to provide recreational opportunities or services to children; or

(F) A place of worship;

(13) "Cultivation facility" means an entity licensed by the commission that acquires, possesses, or cultivates cannabis and that transfers or sells cannabis and related supplies to a processing facility;

(14) "Debilitating medical condition" means:

(A) Cancer;

(B) Human immunodeficiency virus (HIV) or acquired immunodeficiency syndrome (AIDS);

(C) Hepatitis C;

(D) Amyotrophic lateral sclerosis (ALS);

(E) Post-traumatic stress disorder (PTSD);

(F) Alzheimer's disease;

(G) Severe arthritis;

(H) Inflammatory bowel disease, including Crohn's disease and ulcerative colitis;

(I) Multiple sclerosis;

(J) Parkinson's disease;

(K) Cerebral palsy;

(L) Tourette syndrome;

(M) Sickle cell anemia;

(N) A chronic or debilitating disease or medical condition with a confirmation of diagnosis, or the treatment of such disease or condition, that produces one (1) or more of the following:

- (i) Cachexia or wasting syndrome;
- (ii) Peripheral neuropathy;
- (iii) Chronic pain;
- (iv) Severe nausea;
- (v) Seizures, including those characteristic of epilepsy; or
- (vi) Severe or persistent muscle spasms;

(O) Neurological, mental, emotional, or behavioral disorders and associated disorders that interfere with mental health; and

(P) Any other medical condition approved by the commission in response to a request from a practitioner or potentially qualifying patient or a proposal initiated by a member of the commission;

(15) "Department" means the department of agriculture;

(16) "Designated caregiver" means a person who meets the requirements of § 68-7-202;

(17) "Disqualifying felony offense" means:

- (A) A violent offense, as classified by § 40-35-120(b); or

(B) A violation of a state or federal controlled substances law that was classified as a felony in the jurisdiction where the person was convicted, not including:

- (i) An offense for which the sentence, including any term of probation, incarceration, or supervised release, was completed five (5) or more years earlier; or
- (ii) An offense that consisted of conduct for which this chapter would likely have prevented a conviction, but the conduct either occurred prior to the enactment of this chapter or was prosecuted by an authority other than the state of Tennessee;

(18) "Establishment agent" means an owner, officer, board member, employee, or agent of a medical cannabis establishment;

(19) "Establishment agent registration card" or "registration card" means a registration card that is issued by the commission to authorize a person to work at a medical cannabis establishment;

(20) "Healthcare facility" means a facility licensed to provide health or medical care under title 33 or this title;

(21) "License" means a license issued by the commission to authorize the operation of a medical cannabis establishment;

(22) "Medical cannabis establishment" means a cultivation facility, testing facility, processing facility, agricultural medicine center, third-party logistics provider, or other medical cannabis entity licensed by the commission;

(23) "Medical use" includes the acquisition, administration, cultivation, manufacture, processing, delivery, harvest, possession, preparation, transfer, transportation, or use of cannabis, cannabis product, or paraphernalia relating to the administration of cannabis product to treat or alleviate a registered qualifying patient's

debilitating medical condition or symptoms associated with the patient's debilitating medical condition. "Medical use" does not include:

(A) The cultivation of cannabis performed outside of a cultivation facility;

or

(B) The use of cannabis in a form that is not an authorized form;

(24) "Nonresident card" means a card or other identification that is issued by a state or jurisdiction other than Tennessee;

(25) "Nonresident cardholder" means a person who is issued a valid nonresident card as described in § 68-7-118;

(26) "Practitioner" means a physician who is licensed to practice medicine in this state pursuant to title 63, chapter 6, or osteopathic medicine in this state pursuant to title 63, chapter 9;

(27) "Processing facility" means an entity licensed by the commission that acquires, possesses, or handles cannabis from a cultivation facility, processes cannabis to produce cannabis products, and transfers or sells cannabis products to an agricultural medicine center;

(28) "Qualified pharmacist" means a pharmacist licensed pursuant to title 63, chapter 10, who is registered with the commission and completes at least two (2) hours of continuing education on medicinal cannabis biennially;

(29) "Qualifying patient" means a person who has been diagnosed by a practitioner as having a debilitating medical condition and who meets the requirements of § 68-7-201;

(30) "Registry identification card" means a card issued by the commission that identifies a person as a registered qualifying patient or registered designated caregiver;

(31) "Secure facility" means a room, greenhouse, warehouse, or other building, or a fenced, outdoor area that is equipped with locks or other security devices that

restricts access to only an authorized medical cannabis establishment agent or other person authorized by law;

(32) "Testing facility" means an independent testing laboratory licensed by the commission that acquires, possesses, or handles cannabis or cannabis products to analyze the safety and potency of the cannabis or cannabis products, including any quality variance standards established by the commission;

(33) "THC" means delta-9-tetrahydrocannabinol, which is a primary active ingredient in cannabis for medical use;

(34) "Third-party logistics provider" means a person or entity licensed by the commission that provides logistics services on behalf of a cultivation facility, processing facility, or agricultural medicine center, but does not take ownership of any cannabis product, nor has responsibility or authority to direct the sale or disposition of any cannabis product; and

(35) "Written certification" means a standardized form promulgated by the commission that is completed, dated, and signed by a practitioner that:

- (A) Affirms that the certification is made in the course of a bona fide practitioner-patient relationship; and
- (B) Specifies the qualifying patient's debilitating medical condition.

68-7-103.

(a) A medical cannabis establishment shall not operate in this state unless the medical cannabis establishment is licensed by the commission. In order to expeditiously commence the licensing of such establishments and in recognition of the time necessary to construct, secure, and cultivate the establishments, the commission shall begin accepting applications on May 1, 2020, and continue accepting calendar year 2020 applications until July 31, 2020. A license shall not be finally approved or denied until after an onsite inspection of facilities pursuant to rules promulgated by the

commission. The commission shall accept applications in subsequent years on a time schedule set forth in rules promulgated by the commission.

(b) To be eligible for a license, a person or entity seeking to own or operate a medical cannabis establishment must submit the license fee described in § 68-7-108 and an application to the commission in a form prescribed by the commission that meets the following conditions:

(1) The application must identify the legal name of the medical cannabis establishment, including any doing business as (d/b/a) designations used in this state;

(2) The application must identify all owners, officers, and board members of the medical cannabis establishment, who must:

(A) Not have been convicted of any felony offense;

(B) Not have served as an owner, officer, or board member for a medical cannabis establishment that has had its medical cannabis establishment license revoked;

(C) Not have previously had a medical cannabis establishment agent registration card revoked;

(D) Be twenty-one (21) years of age or older; and

(E) Provide each person's name, address, and date of birth to the commission;

(3) The application must identify the physical address where the medical cannabis establishment will be located and the address must:

(A) Be located at least one thousand feet (1,000') from all public or private schools that existed on the date on which the application for the medical cannabis establishment was submitted to the commission and at least three hundred feet (300') from all community facilities that existed on the date on which the application for the medical cannabis establishment

was submitted to the commission. The measurement is a front door of building-to-front door of building measurement. This subdivision (b)(3)(A) shall not apply to any facility operated by a four-year public or private institution of higher education located in this state conducting research pursuant to a research certification granted by the commission;

(B) Be located in a jurisdiction in which the presence of the type of medical cannabis establishment being proposed is permitted in accordance with § 68-7-106; and

(C) Meet applicable local zoning and building requirements;

(4) The application must include evidence that the owner of the real property on which the medical cannabis establishment will be located has given express permission to operate the establishment at that location;

(5) The application must include evidence that the applicant controls at least two hundred fifty thousand dollars (\$250,000), or other amount as determined by the commission, which may include not setting any dollar threshold, to cover initial expenses of opening the medical cannabis establishment and complying with this chapter. This subdivision (b)(5) does not apply to any application for a testing facility or a research certification;

(6) The application must include operating procedures for the medical cannabis establishment that are consistent with the commission's rules. The procedures must include:

(A) Procedures to ensure adequate security;

(B) The use of an electronic verification system and an inventory control system in accordance with §§ 68-7-114 and 68-7-115; and

(C) If the medical cannabis establishment will process, manufacture, sell, or deliver cannabis products, operating procedures for handling such products, which must be approved by the commission; and

(7) Any other information as the commission may require by rule.

(c)

(1) Each person who submits an application pursuant to this section, and each person who is to be an owner, officer, or board member of a medical cannabis establishment shall:

(A) Supply a fingerprint sample and submit to a criminal history records check to be conducted by the Tennessee bureau of investigation and the federal bureau of investigation; and

(B) Agree that the Tennessee bureau of investigation may send information indicating the results of the criminal history records check to the commission and the owner or board of the medical cannabis establishment.

(2) The applicant shall pay any reasonable costs incurred by the Tennessee bureau of investigation or federal bureau of investigation, or both, in conducting an investigation of the applicant. Such assessed costs must not exceed those assessed for other criminal history records checks required by law. A medical cannabis establishment may reimburse the applicant for the costs of the investigation.

(d) The commission shall issue licenses in accordance with § 68-7-105. Meeting the criteria of this section does not grant any person a right to a license.

(e) A person or entity may own or operate one (1) or more medical cannabis establishments regardless of the type of medical cannabis establishment; except, that no person or entity who is serving as an owner or operator of a cultivation facility, processing facility, or agricultural medicine center may own or operate a testing facility. A person or entity seeking to own or operate more than one (1) medical cannabis establishment is required to submit to the commission the application described in subsection (b) and the license fee described in § 68-7-108 for each medical cannabis

establishment sought to be owned or operated. A single fingerprint sample and criminal history records check may be used for multiple applications.

(f) A medical cannabis establishment license expires one (1) year after the date of issuance and may be renewed upon:

- (1) Resubmission of the information set forth in this section; except, that fingerprints are not required to be resubmitted; and
- (2) Payment of the renewal fee described in § 68-7-108.

68-7-104. Each medical cannabis establishment must:

- (1) Comply with applicable local ordinances and regulations pertaining to zoning, land use, and signage; and
- (2) Notify the commission of any change in circumstance for any information required pursuant to § 68-7-103.

68-7-105.

(a)

- (1) The commission shall accept applications for licenses to operate medical cannabis establishments. The commission shall begin accepting applications on May 1, 2020, and continue accepting calendar year 2020 applications until July 31, 2020. A schedule for subsequent years shall be determined by the commission. The commission shall publish on its website the application requirements and submission dates.
- (2) No later than April 1, 2020, the commission shall complete all rulemaking, including at a minimum, rules for application forms, written certification forms, facility operation and security requirements, and objective criterion and prioritization for issuing licenses across the three (3) grand divisions in order to facilitate timely implementation of this part. Those rules may be amended and supplemented thereafter as the commission deems necessary.

(3) The commission shall act on each completed application received in accordance with this subsection (a) within one hundred twenty (120) days of receipt.

(4) An applicant who submits an application in accordance with this subsection (a) and whose application for a license is denied may appeal the denial in accordance with procedures established by the commission by rules promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

(b)

(1) The commission shall not issue:

(A) A license to an applicant unless the applicant meets all the requirements of this chapter; and

(B) Licenses in such a manner so that more than fifty percent (50%) of the total number of licenses issued for any single class of license are issued in one (1) grand division of the state.

(2) In evaluating a license application, the commission shall consider:

(A) Whether the applicant provided a plain narrative describing the type of operation, size of operating square footage, and general business plan;

(B) Whether the applicant has liquid and illiquid financial resources sufficient to meet at least two (2) years of operating expenses for the proposed medical cannabis establishment;

(C) The previous experience of the owners, officers, or board members of the medical cannabis establishment at operating other businesses or organizations;

(D) The vocational or professional background of the owners, officers, or board members of the medical cannabis establishment;

(E) Any demonstrated knowledge or expertise on the part of the owners, officers, or board members of the medical cannabis establishment with respect to the medical use of cannabis or cannabis products;

(F) Whether the location of the medical cannabis establishment would be convenient to serve the needs of qualifying patients and designated caregivers who are authorized to engage in the medical use of cannabis products;

(G) The adequacy of the size of the medical cannabis establishment to serve the needs of designated caregivers and qualifying patients authorized to use medical cannabis products;

(H) The type of integrated plan for the care, quality, and safekeeping of medical cannabis and cannabis products from seed to sale;

(I) Where medical cannabis establishments are located in each grand division and throughout the state; and

(J) Any other criteria of merit that the commission determines to be relevant.

(c) Each medical cannabis establishment license issued must have a unique identification number.

(d) In addition to subsections (a)-(c) and in accordance with rules promulgated by the commission, the commission shall use the following procedure and criterion to award licenses:

(1) For calendar years 2020 and 2021, the commission shall not issue more than twenty-five (25) Class A, twenty-five (25) Class B, and twenty-five (25) Class C licenses per year;

(2) The commission shall make a decision on any qualifying application as expeditiously as possible;

(3) To ensure geographic representation and broad access to medical cannabis products, the commission shall prioritize the issuance of licenses in the following order:

(A) First, by issuing Class C licenses in a manner so that the licenses are dispersed across all three (3) grand divisions in counties having populations of two hundred thousand (200,000) or more according to the 2010 federal census or any subsequent federal census and are issued to applicants that have a majority interest attributable to a resident of this state;

(B) Second, by issuing Class C licenses in a manner so that the licenses are dispersed across all three (3) grand divisions in counties having populations less than two hundred thousand (200,000) according to the 2010 federal census or any subsequent federal census and are issued to applicants that have a majority interest attributable to a resident of this state;

(C) Third, by issuing Class A and B licenses across all three (3) grand divisions in a manner so that cultivation facilities, processing facilities, and agricultural medicine centers are dispersed throughout rural and urban counties and with consideration as to whether the county is categorized as economically distressed or at risk by the department of economic and community development for the most recent fiscal year; and

(D) Fourth, for subsequent years, by considering whether additional licenses need to be issued to meet demand after the commission completes a written assessment of the number and location

of existing licenses and medical cannabis establishments and the total number of issued registry identification cards;

(4)

(A) Each Class C license recipient is authorized to operate up to three (3) agricultural medicine centers under one (1) Class C license, but is only required to operate one (1); and

(B) The cultivation facility, the processing facility, and one (1) agricultural medicine center associated with a Class C license must be operated within the same county. Any additional agricultural medicine centers associated with the Class C license may be operated in the same county or in an adjacent county, subject to requirements of this chapter; and

(5) The medical cannabis establishments associated with a Class B license must be operated within the same county unless a waiver is obtained from the commission.

68-7-106.

(a) The cultivation of medical cannabis at a licensed cultivation facility, the production of medical cannabis product at a licensed processing facility, and the dispensation of medical cannabis at a licensed agricultural medicine center are authorized within the territorial limits of each county and municipality of this state.

(b)

(1) Except as provided in subdivision (b)(2), the legislative body of any county or municipality may, at any time, opt out of subsection (a) and restrict the establishment of any cultivation facility, processing facility, or agricultural medicine center within its jurisdictional boundaries in accordance with subsection (c); provided, that any action by the county legislative body concerning its actions is limited to the unincorporated areas of the county.

(2) Any action taken by the legislative body of a county or municipality in accordance with subsection (c) does not restrict the establishment or operation of a cultivation facility, processing facility, or agricultural medicine center within its jurisdictional boundaries if the facility or center is licensed by the commission prior to the restrictive action.

(c)

(1) The legislative body of any county may opt out of subsection (a) and restrict the establishment of a cultivation facility, processing facility, or agricultural medicine center within the unincorporated areas of the county by passage of a resolution.

(2) The legislative body of any municipality or any county with a metropolitan form of government may opt out of subsection (a) and restrict the establishment of a cultivation facility, processing facility, or agricultural medicine center within its territorial limits by passage of an ordinance.

(3) A resolution or ordinance authorizing such opt-out does not take effect unless it is approved by a majority vote of the appropriate legislative body at two (2) consecutive, regularly scheduled meetings or unless it is approved by a majority of the number of qualified voters of the county or municipality voting in an election in accordance with subsection (d) on the question of whether the opt-out should be authorized.

(d)

(1) If there is a petition of registered voters amounting to ten percent (10%) of the votes cast in the county or municipality in the last gubernatorial election that is filed with the county election commission within thirty (30) days of final approval of a resolution described in subdivision (c)(1) or an ordinance described in subdivision (c)(2), then the county election commission shall call an election on the question of whether the county or municipality should opt out of

subsection (a) and restrict the establishment of a cultivation facility, processing facility, or agricultural medicine center within its jurisdictional boundaries.

(2) The local governing body shall direct the county election commission to call such election to be held in a regular election or in a special election for the purpose of approving or rejecting an opt-out.

(3) The ballots used in such election must have printed on them the substance of such resolution or ordinance and the voters must vote for or against its approval by majority vote.

(4) The votes cast on the question must be canvassed and the results proclaimed by the county election commission and certified by it to the local governing body.

(e)

(1) Any county or municipality that has previously opted out under this section may opt in at a later date by passage of a resolution or ordinance by a majority vote at two (2) consecutive, regularly scheduled meetings or in accordance with subdivision (e)(2).

(2)

(A) The county election commission shall call and hold an election at the next regular election of the county or municipality, as the case may be, upon receipt of a petition not less than sixty (60) days before the date on which an election is scheduled to be held, signed by residents of the county or municipality, amounting to ten percent (10%) of the votes cast in the county or municipality in the last gubernatorial election, requesting the holding of such election.

(B)

(i) The petition must be addressed to the appropriate county election commission and must read substantially as follows:

We, registered voters of _____ (here insert name of county or municipality, as appropriate), do hereby request the holding of a local option election to authorize the establishment of a [licensed cultivation facility, licensed processing facility, or licensed agricultural medicine center] within the [county or municipal] jurisdictional boundaries.

(ii) The petition must also contain:

- (a) The signatures and addresses of registered voters only, pursuant to § 2-1-107;
- (b) The printed name of each signatory; and
- (c) The date of signature.

(C) An election called and held in a county applies only to those portions of such counties lying without the corporate limits of any municipality within the county. Petitioners for such an election and the voters participating in the election must reside within the portions of the county lying outside the corporate limits of such municipalities.

(D)

(i) Registered voters of the county or municipality, as appropriate, may vote in the election. Ballots must be in the form prescribed by the general election laws of the state, except as otherwise provided in this section.

(ii) The questions submitted to the voters appearing thereon in elections must be in the following form:

To authorize the establishment of a [licensed cultivation facility, licensed processing facility, or licensed agricultural medicine center] in _____ (Here insert name of county or municipality)

To prohibit the establishment of a [licensed cultivation facility, licensed processing facility, or licensed agricultural medicine center] in _____ (Here insert name of county or municipality)

(E)

(i) The county election commission shall certify the results to the appropriate local governing body.

(ii) Not more than one (1) election in any county or municipality is authorized to be held under this chapter within any period of twenty-four (24) months; except, that no election in a county in which a municipality is located is an election held in such municipality within the meaning of this subdivision (e)(2).

(f) A licensed testing facility is authorized within the territorial limits of each county and municipality of this state.

68-7-107. In any local government jurisdiction that issues business licenses, the issuance by the commission of a medical cannabis establishment license is provisional until:

- (1) The medical cannabis establishment is in compliance with applicable local governmental ordinances or regulations; and
- (2) The local government has issued a business license for the operation of the establishment.

68-7-108.

(a) The commission shall establish a schedule of fees as follows. The fees in aggregate shall not exceed the commission's costs in administering the state's agricultural medicine program, including any expenses related to research:

- (1) For the initial issuance of a Class A license, a fee not to exceed five thousand dollars (\$5,000);
- (2) For the initial issuance of a Class B license, a fee not to exceed ten thousand dollars (\$10,000);
- (3) For the initial issuance of a Class C license, a fee not to exceed fifteen thousand dollars (\$15,000);
- (4) For the renewal of a Class A, B, or C license, an amount less than the fee for the initial issuance of the corresponding license classification;
- (5) For the initial issuance of a medical cannabis establishment license for a testing facility;
- (6) For the renewal of a medical cannabis establishment license for a testing facility;
- (7) For the initial issuance of a medical cannabis establishment license for a third-party logistics provider;
- (8) For the renewal of a medical cannabis establishment license for a third-party logistics provider;
- (9) For the initial issuance of a medical cannabis establishment agent registration card; and
- (10) For the renewal of a medical cannabis establishment agent registration card.

(b) The commission shall review the fee schedule and its administrative costs every two (2) years and reschedule fees as necessary to ensure compliance with the requirement that the fees in aggregate do not exceed the commission's costs in

administering the state's agricultural medicine program. Any rescheduled fees become effective the next January 1 after promulgation.

(c) The scheduling and rescheduling of fees in accordance with this section must be done pursuant to rulemaking procedures set forth in the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

68-7-109.

(a) Except as otherwise provided in this section, a person shall not work at a medical cannabis establishment as a medical cannabis establishment agent unless the person is registered with the commission pursuant to this section.

(b) A medical cannabis establishment that wishes to employ a medical cannabis establishment agent must submit to the commission an application on a form prescribed by the commission. The application must be accompanied by:

(1) The name, address, and date of birth of the prospective medical cannabis establishment agent;

(2) A statement signed by the prospective medical cannabis establishment agent pledging not to dispense or otherwise divert cannabis to any person who is not authorized to possess cannabis in accordance with this chapter;

(3) A statement signed by the prospective medical cannabis establishment agent asserting that the prospective agent has not previously had a medical cannabis establishment agent registration card revoked;

(4) The license fee described in § 68-7-108; and

(5) Such other information as the commission may require by rule.

(c) The following criteria disqualify a person from serving as a medical cannabis establishment agent:

(1) Being younger than twenty-one (21) years of age; or

(2) Having been convicted of any felony offense.

(d)

(1) A person applying for employment as a medical cannabis establishment agent shall:

(A) Supply a fingerprint sample and submit to a criminal history records check to be conducted by the Tennessee bureau of investigation and the federal bureau of investigation; and

(B) Agree that the Tennessee bureau of investigation may send information indicating the results of the criminal history records check to the commission and the medical cannabis establishment.

(2) The applicant shall pay any reasonable costs incurred by the Tennessee bureau of investigation or federal bureau of investigation, or both, in conducting an investigation of the applicant. A medical cannabis establishment may reimburse the applicant for the costs of the investigation regardless of whether the applicant accepts an offer of employment by the medical cannabis establishment.

(e) An owner, officer, or board member of a medical cannabis establishment who previously furnished information and fingerprints pursuant to § 68-7-103 is not required to resubmit such information or fingerprints in accordance with this section.

(f)

(1) If an applicant for registration as a medical cannabis establishment agent satisfies the requirements of this section and is not disqualified from serving as such an agent, then the commission shall issue to the person a medical cannabis establishment agent registration card.

(2) If the commission does not act upon an application for a medical cannabis establishment agent registration card within thirty (30) days after the date on which the application is received, then the application is deemed

conditionally approved until such time as the commission acts upon the application.

(g) A medical cannabis establishment agent registration card expires one (1) year after the date of issuance and may be renewed upon:

- (1) Resubmission of the information set forth in this section; provided, that fingerprints are not required to be resubmitted; and
- (2) Payment of the renewal fee described in § 68-7-108.

(h) Notwithstanding subsection (b), a person is authorized to submit an application for registration as a medical cannabis establishment agent independent of a medical cannabis establishment. A medical cannabis establishment that hires a person registered as a medical cannabis establishment agent is not required to submit a new application for the agent.

(i) A medical cannabis establishment shall:

- (1) Collect the medical cannabis establishment agent registration card from any agent whose employment is terminated for cause and involving theft, fraud, diversion, or other criminal activity;
- (2) Notify the commission no later than ten (10) days after a medical cannabis establishment agent whose employment is terminated for cause and involving theft, fraud, diversion, or other criminal activity; and
- (3) Inform the commission whether the agent's registration card was collected in accordance with subdivision (i)(1).

68-7-110.

(a) The following are nontransferable:

- (1) A medical cannabis establishment license; and
- (2) A medical cannabis establishment agent registration card.

(b) Notwithstanding subsection (a):

- (1) Prospective owners are authorized to apply for a medical cannabis establishment license prior to an ownership transfer of an existing medical cannabis establishment; and
- (2) An existing medical cannabis establishment agent registration card may be reissued, if necessary, to reflect a change in ownership only without undergoing the application process described in § 68-7-109.

68-7-111.

- (a) A person shall not transport cannabis or cannabis products on any public highway unless the person is a medical cannabis establishment agent transporting the cannabis or cannabis products on behalf of a licensed third-party logistics provider.
- (b) All cannabis or cannabis products transported on a public highway must comply with all inventory tracking rules promulgated by the commission, including any relevant packaging, labeling, and seals.
- (c) The commission shall promulgate rules governing the transportation of cannabis and cannabis products on public highways in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5. The commission shall consult the commissioner of safety in promulgating these rules.
- (d) This section does not apply to an allowable amount of cannabis product in the possession of a cardholder or to law enforcement officers in performance of their duties.

68-7-112.

- (a) The following are grounds for the commission to revoke a medical cannabis establishment license:
 - (1) Dispensing, delivering, or otherwise transferring cannabis to a person other than a medical cannabis establishment agent, another medical cannabis establishment, a person or entity issued a research certification, a patient who

holds a valid registry identification card, or the designated caregiver of such a patient;

(2) Acquiring usable cannabis or mature cannabis plants from any person other than a medical cannabis establishment agent or another medical cannabis establishment;

(3) Dispensing an unauthorized form of medical cannabis or cannabis product to a qualifying patient or designated caregiver; or

(4) Violating a rule promulgated pursuant to this chapter; provided, that such rule, expressly or by reference, provides that a violation of the rule is grounds for revocation of a medical cannabis establishment license.

(b) The following are grounds for the commission to revoke a medical cannabis establishment agent registration card:

(1) Committing a felony offense;

(2) Dispensing, delivering, or otherwise transferring cannabis to a person other than a medical cannabis establishment agent, another medical cannabis establishment, a patient who holds a valid registry identification card, or the designated caregiver of such a patient;

(3) Dispensing an unauthorized form of medical cannabis or cannabis product to a qualifying patient or designated caregiver; or

(4) Violating a rule promulgated pursuant to this chapter if such rule, expressly or by reference, provides that a violation of the rule is grounds for revocation of a medical cannabis establishment agent registration card.

(c) The licensure of medical cannabis establishments and registration of medical cannabis establishment agents is to protect the public health and safety and the general welfare of the people of this state. A medical cannabis establishment license issued pursuant to § 68-7-105 and a medical cannabis establishment agent registration card issued pursuant to § 68-7-109 are revocable privileges, and the holder of such license or

registration card, as applicable, does not acquire a vested right in the license or registration card.

68-7-113.

(a) The operating documents of a medical cannabis establishment must include procedures:

- (1) For the oversight of the medical cannabis establishment;
- (2) To ensure accurate recordkeeping, including the requirements of §§

68-7-114 and 68-7-115; and

- (3) Supporting good agricultural practices and good manufacturing practices, as applicable.

(b) A medical cannabis establishment shall have a system of physical controls to deter and prevent theft of cannabis product and unauthorized entrance into areas containing cannabis product.

(c) A medical cannabis establishment is prohibited from acquiring, possessing, cultivating, manufacturing, processing, delivering, transferring, transporting, supplying, or dispensing cannabis for any purpose except to:

- (1) Directly or indirectly assist qualifying patients who possess valid registry identification cards; and

- (2) Assist qualifying patients who possess valid registry identification cards by way of those patients' designated caregivers.

(d) All cultivation or production of cannabis that a cultivation facility carries out or causes to be carried out must take place at a secure facility at the physical address provided to the commission during the licensure process for the cultivation facility. The secure facility must be accessible only by medical cannabis establishment agents who are lawfully associated with the cultivation facility; except, that limited access by persons necessary to perform construction or repairs or provide other labor is permissible if such persons are supervised by a medical cannabis establishment agent.

(e) Medical cannabis establishments are subject to reasonable inspection by or on behalf of the commission at any time, and a person or entity that holds a medical cannabis establishment license must be available, or make a representative of the establishment available, and present for any inspection of the establishment by or on behalf of the commission.

68-7-114.

(a) Each medical cannabis establishment must have the capability to send data to and receive data from the electronic verification system established by the commission pursuant § 68-7-205 in a manner prescribed by the commission.

(b) Each agricultural medicine center shall check the electronic verification system established by the commission pursuant to § 68-7-205 prior to dispensing any cannabis product described in § 68-7-122 to determine if the cardholder's registry identification card is valid.

(c) A medical cannabis establishment must exercise reasonable care to ensure that the personal identifying information of cardholders is protected and not divulged for any purpose not specifically authorized by law.

68-7-115.

(a)

(1) Each medical cannabis establishment shall maintain an inventory control system that meets the requirements of this section and all requirements established by the commission.

(2) The inventory control system must be able to monitor and report information, including:

(A) The chain of custody and current whereabouts, in near real time, of cannabis from the point that a seed is planted at a cultivation facility until it is processed into a cannabis product at a processing facility;

(B) The chain of custody and current whereabouts, in near real time, of a cannabis product from the point that it is produced at a processing facility until it is sold at an agricultural medicine center;

(C) The name of each person or other medical cannabis establishment, or both, to which the establishment transferred or sold cannabis or a cannabis product;

(D) In the case of an agricultural medicine center, the date on which the center sold a cannabis product to a person who holds a valid registry identification card and the quantity of cannabis products sold; and

(E) Any other information the commission may require by rule.

(3) Except where otherwise prohibited by federal law, this section does not prohibit more than one (1) medical cannabis establishment from co-owning an inventory control system in cooperation with other medical cannabis establishments, or sharing the information obtained from such system.

(b)

(1) Except as provided in subsection (c), each medical cannabis establishment shall maintain a digital video surveillance system that meets the requirements of this section and all requirements established by the commission.

(2) The video surveillance system must comply with the following requirements:

(A) Each medical cannabis establishment shall install and use security cameras to continuously monitor and record, twenty-four (24) hours per day, all areas where cannabis is cultivated, processed, stored, disposed of, and loaded or unloaded for transportation, including any areas through which cannabis or cannabis product is moved within the premises from cultivation, processing, storage, disposal, or transport, such as hallways and staging areas;

(B) Security cameras must record in high definition and allow for clear and certain identification of any person and activities in all areas required to be monitored in accordance with subdivision (b)(2)(A);

(C) Recordings from security cameras must be maintained for a minimum of ninety (90) days in a secure location or through a service over a network that provides remote, peer-to-peer access;

(D) All live video surveillance system feeds must be accessible by the Tennessee bureau of investigation via remote login credentials, and all video surveillance system recordings are subject to inspection and download by authorized bureau personnel upon request;

(E) The video surveillance system must have the ability to remain operational during a power outage and be equipped with a failure notification system that provides notification to the medical cannabis establishment of any interruption or failure of the video surveillance system or video surveillance system data storage device; and

(F) All recorded video must display a time and date stamp.

(c)

(1) A third-party logistics provider is not required to have a video surveillance system in any vehicle used to transport cannabis or a cannabis product, but the provider is required to maintain a video surveillance system in accordance with this section in areas under its control that are used to store cannabis or cannabis products awaiting transport, including warehouse facilities and secure parking lots.

(2) Any vehicle used by a third-party logistics provider to transport cannabis or cannabis products must be equipped with a system that provides time-correlated and continuous tracking of the geographic location of the vehicle using a global positioning system (GPS) based on satellite and other location

tracking technology when the vehicle is used to transport cannabis or cannabis products.

(d) This section does not restrict an agricultural medicine center from using a video surveillance system in areas where cannabis products are sold or dispensed to cardholders; however, to maintain patient privacy protections, such video shall not be made available as provided in subdivision (b)(2)(D).

(e) In addition to any report filed with law enforcement, a medical cannabis establishment shall notify the commission within one (1) business day of any notice of theft or significant loss of cannabis or cannabis product.

68-7-116. Each agricultural medicine center shall ensure the following:

(1) That the weight, content, and concentration of THC, cannabidiol, cannabinol, and any other significant active ingredient in all cannabis products the agricultural medicine center sells is clearly and accurately stated on the product sold;

(2) That the agricultural medicine center does not sell to a cardholder, in any one (1) thirty-day period, more than the allowable amount of cannabis product;

(3) That the agricultural medicine center does not sell cannabis product in any form other than an authorized form; and

(4) That the authorized forms and allowable amounts of cannabis products for medical use are clearly and conspicuously posted within the agricultural medicine center.

68-7-117.

(a) At each medical cannabis establishment, cannabis and cannabis products must be stored in a secure facility.

(b) Except as otherwise provided in subsection (c), at each agricultural medicine center, cannabis products must be stored in a secure, locked device, display case, cabinet, or room within a secure facility.

(c) At an agricultural medicine center, cannabis products may be removed from the secure setting described in subsection (b):

(1)

- (A) Only for the purpose of dispensing the cannabis product;
- (B) Only immediately before the cannabis product is dispensed;

and

(C) Only by a medical cannabis establishment agent who is employed by the agricultural medicine center;

- (2) If the cannabis product is authorized to be sold as an over-the-counter product in accordance with § 68-7-122; or
- (3) For other purposes expressly authorized by the commission and in strict compliance with procedures established by the commission.

68-7-118.

(a) A nonresident card is recognized as valid in this state only under the following circumstances:

- (1) The state or jurisdiction from which the bearer obtained the nonresident card grants an exception from criminal prosecution for the medical use of cannabis;
- (2) The state or jurisdiction from which the bearer obtained the nonresident card requires, as a prerequisite to the issuance of such a card, that a practitioner complete and sign a written certification, or similar document, that specifies a bearer's debilitating medical condition;
- (3) The nonresident card has an expiration date and has not yet expired;
- (4) The nonresident cardholder provides evidence, in the form of a signed affidavit or other form as determined by the commission, that the nonresident cardholder is:

(A) Entitled to engage in the medical use, or assist in the medical use, of cannabis in the person's state or jurisdiction of residence; and

(B) Has been diagnosed with a debilitating medical condition, or is the parent, guardian, conservator, or other person with authority to consent to the medical treatment of a person who has been diagnosed with a debilitating medical condition; and

(5) The nonresident cardholder complies with restrictions on how cannabis may be used in this state and the legal limits regarding the allowable amount that may be possessed for medical use.

(b) For purposes of the reciprocity described in this section:

(1) The authorized form and the amount of cannabis that the nonresident cardholder is entitled to possess in the cardholder's state or jurisdiction of residence are not relevant; and

(2) While present in this state, the nonresident cardholder shall not possess cannabis in an amount that exceeds the allowable amount or in a form that is not an authorized form of cannabis.

(c) The commission shall publish on its website the states or jurisdictions to which this state grants reciprocity and the affidavit form described in subdivision (a)(4).

68-7-119. Each agricultural medicine center and processing facility, in consultation with the commission, shall cooperate to ensure that all cannabis products for sale are:

- (1) Labeled clearly and unambiguously as medical cannabis, with the weight, content, and concentration of THC, cannabidiol, cannabinol, and any other significant active ingredients clearly indicated;
- (2) Upon dispensing, labeled clearly with dosage information, the qualifying patient's name and unique identification number, and a "use by" date;
- (3) Upon dispensing, accompanied with instructions for use;
- (4) Not presented in packaging or in a form that is appealing to children;

(5) Regulated and sold on the basis of the concentration of THC, cannabidiol, and cannabinol in the products and not solely by weight; and

(6) Packaged and labeled in such a manner as to allow tracking by way of an inventory control system.

68-7-120.

(a) The commission shall perform all statutory and regulatory inspection and enforcement requirements of testing facilities under this chapter. The commission may engage qualified contractors or other state agencies to implement this section.

(b) The commission shall initially issue at least three (3) independent testing facility licenses, one (1) per grand division.

(c) Product testing must be performed during cultivation and final processing to ensure that limits on the regulated constituents have been met prior to point of sale.

(d) The protocols for testing must include, but are not limited to, the following constituents:

- (1) Cannabinoids;
- (2) Heavy metals;
- (3) Microbials;
- (4) Mycotoxins;
- (5) Residual pesticides; and
- (6) Residual solvents.

(e) To obtain a testing facility license from the commission, an applicant must:

- (1) Apply successfully as required pursuant to § 68-7-103; and
- (2) Pay the requisite fees described in § 68-7-108.

(f) The cultivation, manufacture, distribution, and sale without independent testing to standards determined by the commission under this chapter is prohibited. A violation of this subsection (f) is a Class C felony.

68-7-121. The commission, in consultation with the departments of agriculture and safety, shall promulgate rules necessary to effectuate the purposes of this chapter, including:

- (1) Prescribing the form and any additional required content of applications submitted pursuant to §§ 68-7-103 and 68-7-109;
- (2) Establishing rules pertaining to the safe and healthful operation of medical cannabis establishments, including:
 - (A) The manner of protecting against diversion and theft without imposing an undue burden on medical cannabis establishments or compromising the confidentiality of cardholders;
 - (B) Minimum requirements for the oversight of medical cannabis establishments;
 - (C) Minimum requirements for recordkeeping by medical cannabis establishments;
 - (D) Provisions for the security of medical cannabis establishments, including requirements for the protection of each medical cannabis establishment by a fully operational security alarm system; and
 - (E) Procedures pursuant to which agricultural medicine centers must use the services of a testing facility to ensure that any cannabis product sold by the agricultural medicine centers to end users are tested for content, quality, and potency in accordance with standards established by the commission;
- (3) Establishing fees described in § 68-7-108 and circumstances and procedures pursuant to which those fees may be reduced over time, and ensuring that such fees do not exceed an amount that is more than the cost of administering this chapter, including any expenses related to research;
- (4) Protecting the identity and personal identifying information of each person who receives, facilitates, or delivers services in accordance with this chapter while maintaining accountability of such persons;

(5) Establishing different categories of medical cannabis establishment agent registration cards, including criteria for training and certification, for each of the different types of medical cannabis establishments;

(6) Establishing:

(A) Authorized forms of cannabis that may be dispensed to and possessed by cardholders;

(B) Labeling standards and guidelines for cannabis products, including that cannabis products and container packaging are:

(i) Labeled clearly and unambiguously as medical cannabis, with the weight, content, and concentration of THC, cannabidiol, cannabinol, and any other significant active ingredients clearly indicated; and

(ii) Labeled clearly with dosage information, the qualifying patient's name and unique identification number, and the "use by" date upon dispensing; and

(C) Standards for identifying the allowable amount of cannabis products, including THC, cannabidiol, cannabinol, and other significant active ingredient concentration and recommended doses; and

(7) Addressing such other matters necessary for the implementation of this chapter.

68-7-122.

(a) An agricultural medicine center is authorized to sell:

(1) Cannabis products containing concentrations of greater than three-tenths of one percent (0.3%) but less than nine-tenths of one percent (0.9%) of THC as a behind-the-counter product to any person who is a cardholder; and

(2) Cannabis products containing concentrations of nine-tenths of one percent (0.9%) or more of THC to any person who is a cardholder.

(b) The maximum allowable amount of a cannabis product described in subdivision (a)(2) that may be dispensed to or for a qualifying patient for a thirty-day period is two thousand eight hundred milligrams (2,800 mg) of THC.

(c)

(1) An agricultural medicine center shall ensure that every cardholder receives a medication therapy management consultation from a qualified pharmacist at initiation of use of cannabis products or, if it is the cardholder's first transaction at the agricultural medicine centers and at least annually thereafter while the cardholder is using cannabis products.

(2) An agricultural medicine center shall ensure that a cardholder is offered the opportunity to consult with a qualified pharmacist each time cannabis products are dispensed.

(3) A consultation pursuant to this subsection (c) may be in person or via telephone or other live electronic communication.

(4) During this initial consultation, a qualified pharmacist may recommend a dosing level, but the dosing level must not exceed two thousand eight hundred milligrams (2,800 mg) of THC.

(5) For a qualifying patient to receive a cannabis product containing concentrations of nine-tenths of one percent (0.9%) or more of THC in an amount greater than six hundred milligrams (600 mg) of THC for a thirty-day period, a qualified pharmacist must document this during a medication therapy management consultation with the patient.

(6) Any pharmacist acting in good faith and with reasonable care in the provision of consultation services pursuant to this section is immune from disciplinary or adverse administrative actions for acts or omissions during the provision of consultation services.

(7) Any pharmacist involved in the provision of consultation services pursuant to this section is immune from civil liability for actions authorized by this section in the absence of gross negligence or willful misconduct.

(d) Prior to and upon dispensing a medical cannabis product described in subsection (a), the agricultural medicine center shall review the reverse side of the registry identification card regarding cannabis products dispensed to or for the qualifying patient and update the information in a manner required by the commission.

(e) This section does not authorize an agricultural medicine center to sell a cannabis product described in subsection (a) to a nonresident cardholder.

(f) An agricultural medicine center shall provide applicable information and data regarding the agricultural medicine program to the commission upon request.

68-7-123.

(a) A person shall not act as a qualified pharmacist unless registered with the commission in accordance with this section.

(b) To be registered as a qualified pharmacist, a person must submit an application to the commission on a form prescribed by the commission. The application must include:

(1) Proof that the applicant is licensed as a pharmacist under title 63, chapter 10, and in good standing with the board of pharmacy; and

(2) Proof that the applicant is in compliance with the requirement that a qualified pharmacist must complete at least two (2) hours of continuing education on medicinal cannabis biennially.

(c) Registration as a qualified pharmacist expires one (1) year from the date of issuance.

(d) Registration may be renewed by submission of a renewal application in a form prescribed by the commission. The renewal application must include:

- (1) Proof that the applicant is still licensed as a pharmacist under title 63, chapter 10, and in good standing with the board of pharmacy; and
- (2) Proof that the applicant is in compliance with the requirement that a qualified pharmacist must complete at least two (2) hours of continuing education on medicinal cannabis biennially.

68-7-201.

- (a)
 - (1) Except as provided in subsections (b) and (g), the commission shall issue a registry identification card to a qualifying patient who is a resident of this state or a contiguous state and who submits an application on a form prescribed by the commission accompanied by the following:
 - (A) A written certification issued by a practitioner, including a confirmation of diagnosis of a debilitating medical condition as defined in § 68-7-102 if applicable, within ninety (90) days immediately preceding the date of the application;
 - (B) An application fee of thirty-five dollars (\$35.00), or other amount as determined by the commission;
 - (C) The name, address, telephone number, social security number, and date of birth of the qualifying patient;
 - (D) Proof satisfactory to the commission that the qualifying patient is a resident of this state or a contiguous state;
 - (E) The name, address, and telephone number of the qualifying patient's practitioner;
 - (F) The name, address, telephone number, social security number, and date of birth of each designated caregiver chosen by the qualifying patient; and

(G) If more than one (1) designated caregiver is designated at any given time, documentation demonstrating that more than one (1) designated caregiver is needed due to the patient's age or medical condition. A qualifying patient who is not a resident of a healthcare facility is not allowed to have more than two (2) designated caregivers at one (1) time.

(2) The application and application fee must first be submitted to commission, which shall immediately return proof of receipt to the applicant. Upon presentation of the receipt by the prospective cardholder, the agricultural medicine center shall issue a temporary registration identification card to the qualifying patient or designated caregiver that is valid for forty-five (45) days. The agricultural medicine center shall notify the commission of all temporary cards that have been issued by the end of each business day.

(b) The commission shall issue a registry identification card to a qualifying patient who is less than eighteen (18) years of age if the custodial parent or legal guardian with responsibility for healthcare decisions for the person under eighteen (18) years of age:

(1) Submits the materials required pursuant to subsection (a); and
(2) Signs a written statement setting forth that the parent or guardian consents to:

(A) Allowing the qualifying patient's medical use of cannabis products;
(B) Serving as the qualifying patient's designated caregiver; and
(C) Controlling the acquisition of the cannabis product, the dosage, and the frequency of the medical use of cannabis product by the qualifying patient.

(c) A qualifying patient who is younger than eighteen (18) years of age and who is emancipated by marriage, court order, or in any other way recognized by law in this state has all the rights and responsibilities of an adult under this chapter, except to the extent those rights are restricted by court order.

(d) If a qualifying patient is unable to personally submit the information required by this section due to the person's age or medical condition, the person responsible for making medical decisions for the qualifying patient may do so on behalf of the qualifying patient.

(e) Upon receipt of an application that is completed and submitted pursuant to this section, the commission shall:

(1) Record the date on which the application was received; and

(2) Distribute written or electronic copies of the application in the

following manner:

(A) One (1) copy to the qualifying patient's practitioner; and

(B) One (1) copy to the board of medical examiners if the

practitioner is licensed to practice medicine pursuant to title 63, chapter 6, or one (1) copy to the board of osteopathic examination if the practitioner is licensed to practice osteopathic medicine pursuant to title 63, chapter 9.

(f)

(1) The commission shall verify the information contained in an application submitted pursuant to this section and approve or deny the application within thirty (30) days of receiving a completed application. The commission may contact the qualifying patient, or qualifying patient's custodial parent or legal guardian if applicable, and the qualifying patient's practitioner and designated caregiver by telephone to determine that the information provided on or accompanying the application is accurate.

(2) Within five (5) days of approving an application, the commission shall issue registry identification cards to the qualifying patient and the patient's designated caregiver, if applicable. A designated caregiver must have a registry identification card for each of the caregiver's qualifying patients.

(g) The commission may deny an application only on the following grounds:

(1) The applicant:

- (A) Did not provide the required information, fee, or accompanying materials;
- (B) Materially failed to comply with rules promulgated by the commission to effectuate the purposes of this chapter;
- (C) Previously had a registry identification card revoked; or
- (D) Previously had a registry identification card suspended for a conviction under § 68-7-303(c), possession of an unauthorized form of cannabis; or

(2) The commission:

- (A) Determines that the qualifying patient's practitioner is not licensed in this state or is not in good standing with the board of medical examiners or board of osteopathic examination, as applicable; or
- (B) Determines that the information provided by the applicant was falsified.

(h) If the commission denies an application for a registry identification card, then the qualifying patient or, in the case of an unemancipated person under eighteen (18) years of age, the person's parent or legal guardian, may appeal the denial with the commission. The denial of an application for a registry identification card following administrative review is considered a final action, subject to judicial review. Any administrative or judicial review of the denial of an application for a registry identification

card must be in accordance with the procedures set forth in the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

68-7-202.

(a) Upon issuing a registry identification card to a qualifying patient, the commission shall also issue a registry identification card to each person identified as a designated caregiver by the qualifying patient if the designated caregiver:

- (1) Is a resident of this state or a contiguous state;
- (2) Is at least twenty-one (21) years of age or a parent or legal guardian of a qualifying patient;
- (3) Has agreed in writing, on a form prescribed by the commission, to assist with the qualifying patient's medical use of cannabis product;
- (4) Has not been convicted of a disqualifying felony offense;
- (5) Has not previously had a registry identification card revoked;
- (6) Has not previously had a registry identification card suspended for a conviction under § 68-7-303(c), possession of an unauthorized form of cannabis; and
- (7) Does not assist more than five (5) qualifying patients with their medical use of cannabis product, unless the designated caregiver's qualifying patients each reside in or are admitted to a healthcare facility where the designated caregiver is employed.

(b) A qualifying patient may submit an application, on a form prescribed by the commission, to designate a new caregiver or change the patient's designated caregiver. An application fee of fifteen dollars (\$15.00), or other amount as determined by the commission, applies.

(c) Prior to issuing a registry identification card to a designated caregiver, the commission shall:

- (1) Conduct a criminal history records check of the designated caregiver to determine whether the prospective caregiver has been convicted of a disqualifying felony offense;
- (2) Verify that the designated caregiver has not previously had a registry identification card revoked; and
- (3) Verify that the designated caregiver is not currently registered as assisting five (5) or more qualifying patients with their medical use of cannabis product or that the designated caregiver's qualifying patients reside in or are admitted to a healthcare facility where the designated caregiver is employed.

(d) The commission may deny the issuance of a registry identification card to a designated caregiver only if:

- (1) The designated caregiver does not meet the requirements of subsection (a); or
- (2) The qualifying patient notifies the commission that the patient no longer wishes the person to be the patient's designated caregiver.

(e)

- (1) The commission shall give written notice to the qualifying patient and designated caregiver of the reason for the denial of a registry identification card for the patient's chosen designated caregiver.
- (2) A qualifying patient or, in the case of an unemancipated person under eighteen (18) years of age, the person's parent or legal guardian, whose chosen designated caregiver has been denied a registry identification card may appeal the denial with the commission. The denial of a designated caregiver's registry identification card following administrative review is considered a final action, subject to judicial review. Any administrative or judicial review of the denial of a designated caregiver's registry identification card must be in accordance with the

procedures set forth in the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

(3) In lieu of an appeal, a qualifying patient may submit an application designating a new designated caregiver.

68-7-203.

(a) Registry identification cards must contain all of the following:

- (1) The name of the cardholder;
- (2) A designation of whether the cardholder is a qualifying patient or a designated caregiver;
- (3) The date of issuance and expiration date of the registry identification card;
- (4) An identification number that is unique to the cardholder;
- (5) If a temporary registration identification card, a temporary designation on the card;
- (6) If the cardholder is a designated caregiver, the identification number of the qualifying patient the caregiver is designated to assist;
- (7) The telephone number or website for the verification system established pursuant to § 68-7-205; and
- (8) Security features to prevent diversion, fraud, and abuse, including an area on the reverse side of the card for an agricultural medicine center to indicate the dispensing of cannabis products to or for a qualifying patient in a manner required by the commission.

(b) Except as provided in subsection (c) or § 68-7-201(a)(2), the expiration date is one (1) year after the date of issuance.

(c) If the practitioner stated in the written certification that the qualifying patient's debilitating medical condition is expected to last until a specified date and for a period of less than one (1) year, then the registry identification card expires on that date.

68-7-204.

A cardholder may submit an application for renewal of an existing registry identification card no earlier than sixty (60) days prior to the expiration date. An application for renewal may be submitted at an agricultural medicine center or through an online renewal procedure established by the commission.

68-7-205.

(a) The commission shall establish and maintain an electronic verification system and may use an existing electronic verification system, such as the controlled substance database established in title 53, chapter 10, part 3, for purposes of this chapter. The information kept in the system must be kept confidential except as provided in this chapter and shall not be used for any purpose other than that described in this chapter.

(b) The electronic verification system must allow law enforcement personnel and medical cannabis establishments to enter a registry identification number to determine whether the number corresponds with a current, valid registry identification card. For law enforcement purposes, the system may disclose only:

- (1) Whether the identification card is valid; and
- (2) The name of the cardholder.

(c) To ensure the privacy and confidentiality of patient records, information obtained from the electronic verification system database shall not be made a public record. Any information used in a criminal or administrative action from the database must be placed under seal or have patient names and all other personally identifying information of patients redacted.

68-7-206.

(a) A cardholder is required to notify the commission as follows:

- (1) A registered qualifying patient shall notify the commission of any change in the patient's name or address, or if the registered qualifying patient

ceases to have the patient's debilitating medical condition, within thirty (30) days of the change;

(2) A registered designated caregiver shall notify the commission of any change in the caregiver's name or address, or if the designated caregiver becomes aware of the death of the caregiver's qualifying patient, within thirty (30) days of the change; and

(3) If a cardholder's registry identification card becomes lost or stolen, the cardholder shall notify the commission within ten (10) days of becoming aware the card has been lost or stolen.

(b) If a qualifying patient is unable to make the notification required under subsection (a) due to the patient's age or medical condition, the patient's designated caregiver shall make such notification.

(c) When a cardholder notifies the commission of a condition identified in subsection (a) and the cardholder remains eligible under this chapter, the commission shall inform the cardholder whether a new registry identification card must be issued. If a new registry identification card is to be issued, the commission shall issue the cardholder a new card with a new unique identification number within ten (10) days of receiving the updated information and any fee required to replace the card. If applicable, the commission shall also issue a new registry identification card to the patient's designated caregiver within ten (10) days of receiving the updated information.

68-7-207.

(a) If the commission receives notification of a cardholder's conviction under § 68-7-303, then the commission shall immediately suspend the cardholder's registry identification card and promptly notify the cardholder of the reason for the suspension.

(b) The commission shall reinstate a registry identification card that has been suspended pursuant to subsection (a) upon the commission receiving written confirmation that the cardholder has fulfilled all the requirements for the sentence

imposed by the court in which the cardholder was convicted of the offense; provided, that such court may authorize the commission to reinstate the registry identification card prior to the fulfillment of the requirements for the sentence. If the card is restored pursuant to this subsection (b) prior to its expiration date, then the cardholder is not required to pay an application fee for the period remaining before the card's expiration; provided, that the commission may impose a reasonable reinstatement fee of five dollars (\$5.00), or other amount as determined by the commission, for processing the restoration of the card.

(c) If the commission receives notification of a cardholder's conviction under § 68-7-304 or a designated caregiver's conviction for a disqualifying felony offense, then the commission shall immediately suspend the cardholder's registry identification card and shall begin the process to revoke the cardholder's card in accordance with procedures established by rule. Except pursuant to court order or commission review on appeal, a cardholder who has a registry identification card revoked is not eligible to receive or be issued a registry identification card.

(d) A cardholder or, in the case of an unemancipated person under eighteen (18) years of age, the person's parent or legal guardian, whose registry identification card has been suspended or revoked may appeal the suspension or revocation with the commission in accordance with procedures established by the commission. The suspension or revocation of a cardholder's registry identification card following an appeal is considered a final action, subject to judicial review. Jurisdiction and venue for judicial review are vested in the chancery court of Davidson County.

68-7-301.

(a) It is an exception to the application of title 39, chapter 17, part 4, that, at the time of the commission of an act constituting an offense under such part, the person:

(1) Was issued a valid registry identification card and was in strict compliance with this chapter;

(2) Was a nonresident cardholder and in strict compliance with the requirements of this chapter; or

(3) Acted in the person's capacity as a medical cannabis establishment agent or pursuant to a research certification issued by the commission and was in strict compliance with this chapter.

(b) A practitioner is not subject to arrest or prosecution under state law, or to being penalized in any manner, or denied any right or privilege, including any disciplinary action by a state professional licensing board, for completing a written certification for a qualifying patient if:

(1) The practitioner has diagnosed, or confirmed the diagnosis of, the patient as having a debilitating medical condition;

(2) The written certification is based upon the practitioner's professional opinion after having completed a full assessment of the patient's medical history and current medical condition made in the course of a bona fide practitioner-patient relationship; and

(3) The practitioner has not abused the practitioner's authority to provide written certifications or diagnoses of debilitating medical conditions, including confirmation of diagnoses as described under § 68-7-102(14)(N).

(c) A professional licensing board shall not penalize or take any disciplinary action against, or deny any right or privilege to, a person solely on the basis of the person:

(1) Being issued a valid registry identification card and acting in strict compliance with this chapter;

(2) Acting in the person's capacity as a medical cannabis establishment agent in strict compliance with this chapter;

- (3) If the person is an attorney licensed to practice law in this state, providing legal advice or services regarding activities authorized under this chapter;
- (4) Providing professional advice or services regarding activity authorized under this chapter; or
- (5) If a practitioner, properly issuing written certifications, regardless of the number issued.

(d) A qualifying patient or designated caregiver is presumed to be engaged in the medical use of cannabis pursuant to this chapter if the person is in possession of a valid registry identification card, issued by this state or another and which must be displayed upon request of a law enforcement officer, and an amount of cannabis product in an authorized form that does not exceed the allowable amount.

68-7-302.

Cannabis product, paraphernalia, or other property seized from a qualifying patient or designated caregiver in connection with a claimed medical use of cannabis under this chapter must be returned immediately upon the determination by a court that the qualifying patient or designated caregiver is entitled to the protections of this chapter, as evidenced by a decision not to prosecute, dismissal of charges, or an acquittal.

68-7-303.

- (a) A qualifying patient shall obtain cannabis product for medical use only from:
 - (1) An agricultural medicine center licensed pursuant to § 68-7-105; or
 - (2) A designated caregiver.
- (b) A designated caregiver shall obtain cannabis product for medical use only from an agricultural medicine center licensed pursuant to § 68-7-105.
- (c) A qualifying patient or designated caregiver shall not possess cannabis in any form other than an authorized form.

(d) A qualifying patient or designated caregiver shall not possess cannabis product in an amount that exceeds the allowable amount.

(e) Any cannabis product possessed by a qualifying patient or designated caregiver must be:

(1) Labeled clearly and unambiguously as medical cannabis, with the weight, content, and concentration of THC, cannabidiol, cannabinol, and any other significant active ingredients clearly indicated;

(2) Labeled clearly with dosage information and the qualifying patient's name and unique identification number; and

(3) Kept with or in the labeled container or packaging provided by the licensed agricultural medicine center if the product itself is incapable of being labeled.

(f) A qualifying patient shall not smoke any cannabis product. A cannabis product that is vaporized is not deemed to be smoked.

(g) A qualifying patient or designated caregiver who knowingly violates this section commits a Class C misdemeanor.

(h) Notwithstanding subsection (g), a qualifying patient or designated caregiver who knowingly possesses cannabis product in an amount that exceeds the allowable amount, and the possession of such amount would be an offense under § 39-17-417, commits an offense and may be prosecuted under that section.

68-7-304.

(a) It is an offense for a person to knowingly obtain or attempt to obtain any cannabis product for medical use by:

(1) Fraud, deceit, misrepresentation, embezzlement, or theft;

(2) The forgery or alteration of a practitioner's written certification;

(3) Furnishing fraudulent medical information or the concealment of a material fact;

- (4) The use of a false name or patient identification number, or the giving of a false address; or
- (5) The forgery or alteration of a registry identification card.

(b) A violation of subsection (a) is a Class E felony.

68-7-305. A person is not subject to arrest, prosecution, or penalty in any manner, and must not be denied any right or privilege, including any civil penalty or disciplinary action by a court or occupational or professional licensing board or bureau, for:

- (1) Being in the presence or vicinity of the medical use of cannabis; or
- (2) Allowing the person's property to be used for activities authorized by this chapter.

68-7-401.

(a) There is created the agricultural medicine commission.

(b) The commission consists of nine (9) members. The members comprising the commission must be of excellent character and reputation, not be less than thirty (30) years of age, and have been residents of this state for at least five (5) years preceding their appointment. In making appointments to the commission, the appointing authorities shall strive to ensure that the commission is composed of persons who are diverse in age, ethnicity, race, sex, geographic residency, perspective, and experience.

(c) The nine (9) members are appointed as follows:

- (1) Three (3) members, appointed by the governor as follows:
 - (A) One (1) member from the business community with expertise in complex supply and distribution systems;
 - (B) One (1) member who has demonstrated expertise and experience in law enforcement; and
 - (C) One (1) at-large member;

(2) Three (3) members, appointed by the speaker of the senate as follows:

(A) One (1) member who is a healthcare professional licensed to practice medicine pursuant to title 63, chapter 6, or osteopathic medicine pursuant to title 63, chapter 9;

(B) One (1) member who has demonstrated expertise and experience in the field of agriculture; and

(C) One (1) at-large member;

(3) Three (3) members, appointed by the speaker of the house of representatives as follows:

(A) One (1) member who is a healthcare professional licensed to practice pharmacy pursuant to title 63, chapter 10;

(B) One (1) member who has demonstrated expertise and experience in the field of finance, industry, or commerce; and

(C) One (1) member who is a qualifying patient or patient advocate; and

(4)

(A) The commission member described in subdivision (c)(2)(A) may be selected from a list of qualified healthcare professionals submitted to the speakers by interested medical groups including, but not limited to, the Tennessee Medical Association; and

(B) The commission member described in subdivision (c)(3)(A) may be selected from a list of qualified healthcare professionals submitted to the speakers by interested medical groups including, but not limited to, the Tennessee Pharmacists Association.

68-7-402.

(a) In order to stagger the terms of the newly appointed commission members, initial appointments must be made prior to July 1, 2019, as follows:

(1) The speaker of the senate shall make three (3) initial appointments for a term that begins on July 1, 2019, and expires on June 30, 2021;

(2) The speaker of the house of representatives shall make three (3) initial appointments that begin on July 1, 2019, and expire on June 30, 2022; and

(3) The governor shall make three (3) initial appointments that begin on July 1, 2019, and expire on June 30, 2023.

(b)

(1) Following the expiration of members' initial terms as prescribed in subsection (a), all appointments to the commission are for terms of four (4) years and begin on July 1 and terminate on June 30, four (4) years thereafter.

(2) All members serve until the expiration of the term to which they were appointed and until their successors are appointed.

(3) A vacancy occurring other than by expiration of term must be filled in the same manner as the original appointment but for the balance of the unexpired term only.

(4) The appointing authority may remove a member appointed by the authority only for just cause, including misconduct, incompetency, or willful neglect of duty, after first delivering to the member a copy of the charges against the member.

(5) Members are eligible for reappointment to the commission following the expiration of their terms.

(c)

(1) The appointing authority shall remove from the commission any member who is absent from more than four (4) commission meetings during any twelve-month period and shall appoint a new member to fill the remainder of the unexpired term.

(2) The presiding officer of the commission shall promptly notify, or cause to be notified, the applicable appointing authority of any member who fails to satisfy the attendance requirement in subdivision (c)(1).

(d) Prior to beginning their duties, each member of the commission shall take and subscribe to the oath of office provided for state officers.

68-7-403.

(a) The official domicile of the commission is in Nashville. All meetings of the commission must be held in Nashville.

(b) The commission must be impaneled and hold its first meeting no later than August 15, 2020, at which time, and annually thereafter, the members shall elect a chair and other officers as the members deem necessary.

(c) The commission shall meet at least one (1) time in Nashville each month, and shall hold such other meetings for any period of time as may be necessary for the commission to transact and perform its official duties and functions. The commission may hold a special meeting at any time it deems necessary and advisable in the performance of its official duties. Five (5) members of the commission constitute a quorum for the transaction of any business, or in the performance of any duty, power, or function of the commission. A special meeting may be called by the chair, or by a majority of the commission. The commission may participate by electronic or other means of communication for the benefit of the public and the commission in connection with any meeting authorized by law; provided, that a physical quorum is maintained at the location of the meeting.

68-7-404.

(a) The members of the commission shall receive annual compensation in the sum of forty-five thousand dollars (\$45,000) per year, which is payable in monthly installments out of the state treasury. The amount of annual compensation may be adjusted by rule.

(b) All members of the commission shall be reimbursed for their actual and necessary expenses incurred in connection with their official duties as members of the commission.

(c) All reimbursement for travel expenses must be in accordance with the comprehensive travel regulations as promulgated by the department of finance and administration and approved by the attorney general and reporter.

68-7-405.

(a) The commission shall appoint a director to serve at the pleasure of the commission. The commission shall fix the director's salary with the approval of the appropriate state officials as now required by law. The office of the director must be in Nashville.

(b) The director must be at least thirty (30) years of age. The director must be designated as director, agricultural medicine commission.

(c) The director is the chief administrative officer of the commission, and all personnel employed by the commission are under the director's direct supervision. The director is solely responsible to the commission for the administration and enforcement of this chapter and is responsible for the performance of all duties and functions delegated by the commission and for coordination of administrative needs with the department of agriculture.

(d) The director shall keep and be responsible for all records of the commission and shall also serve as secretary of the commission. The director shall prepare and keep the minutes of all meetings held by the commission, including a record of all business transacted and decisions rendered by the commission.

(e) The director shall act and serve as hearing officer when designated by the commission and shall perform such duties as hearing officer as now authorized under this chapter.

(f) The commission is authorized to appoint an assistant director who shall perform such duties and functions which may be assigned by the director or the commission. The assistant director, if licensed to practice law in this state, may also be designated by the commission to sit, act, and serve as a hearing officer and, when designated as a hearing officer, the assistant director is authorized to perform the same duties and functions as the regular hearing officer.

(g) The director and assistant director shall be reimbursed for travel expenses in accordance with the comprehensive travel regulations as promulgated by the department of finance and administration and approved by the attorney general and reporter.

68-7-406.

(a) The commission is attached to the department of agriculture for administrative matters relating to budgeting, audit, and other related items, and for additional administrative support including the use of department attorneys, inspectors, agents, officers, and clerical assistance as may be necessary for the effective administration and enforcement of this chapter.

(b) All fees authorized by this chapter must be paid into the general fund and credited to a separate account for the commission. Funds in this account must be used solely for the implementation and enforcement of this chapter, including all administrative costs of the commission, subject to the approval of the commissioner of finance and administration with the approval of the governor. It is the intent of the general assembly that this account be the sole source of funds for the commission and that the amount appropriated to the commission not exceed the amount collected from fees under this chapter. Additional funds may be appropriated to the commission to assist with initial expenses.

68-7-407. The commission shall adopt and implement a conflict of interest policy for its members. The policy must mandate annual written disclosures of financial interests, other

possible conflicts of interest, and an acknowledgement by commission members that they have read and understand all aspects of the policy. The policy must also require persons who are to be appointed to acknowledge, as a condition of appointment, that they are not in conflict with the conditions of the policy.

68-7-408.

(a) The commission is empowered and authorized to promulgate such rules, including emergency rules, as may be necessary to effectuate the purposes of this chapter and to carry out the functions, duties, and powers of the commission as provided in this chapter. All such rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5. The commission shall enforce and administer this chapter and the rules made by it.

(b) The commission has and shall exercise the following functions, duties, and powers:

(1) Issue all licenses for the cultivation, processing, testing, transportation, sale, and dispensing of medical cannabis and cannabis product, and to revoke any license authorized by this chapter under the following conditions:

(A) Revocation of a license must be made by the commission only on account of the violation of, or refusal to comply with, this chapter or any rule of the commission, after not less than ten (10) days' notice to the holder of the license proposed to be revoked, informing the licensee of the time and place of the hearing to be held, and all further procedure with reference to the revocation of any license must be fixed and prescribed in the rules adopted and promulgated by the commission;

(B) A person does not have a property right in any license issued under this chapter; and

(C) The commission shall hold a hearing to determine whether such license shall be revoked, which hearing must be held in accordance with the contested case provisions of the Uniform Administrative Procedures Act compiled in title 4, chapter 5, part 3, whenever any of the following certifies that any licensee has habitually violated this chapter, or any regulation adopted by the county legislative bodies or legislative councils, relative to the conduct and operation of the business provided for in this chapter:

(i) The county mayor or majority of the county commission, if a license has been issued outside the corporate limits of the municipality; or

(ii) The mayor or majority of the city council or legislative council of a municipality within which a license has been issued;

(2) Refuse to issue a license or registration card if, upon investigation, the commission finds that the applicant for a license or registration card has concealed or misrepresented, in writing or otherwise, any material fact or circumstance concerning the operation of the business or employment, or if the interest of the applicant in the operation of the business or employment is not truly stated in the application, or in case of any fraud or false swearing by the applicant touching any matter relating to the operation of the business or employment. If a license or registration card has been issued, then the commission shall issue a citation to the licensee or registrant to show cause why the license or registration card should not be suspended or revoked. All data, written statements, affidavits, evidence, or other documents submitted in support of an application are a part of the application;

(3) Conduct investigations and audits for enforcing and preventing violations of this chapter;

- (4) Summon any applicant for a license or registration card and also summon and examine witnesses, and administer oaths to such applicants and witnesses in making any investigation;
- (5) Prescribe reporting and educational programs the commission deems necessary or appropriate to ensure that the laws governing licensees and registration cards are observed;
- (6) Prevent parts of the premises connected with or in any sense used in connection with the premises, where the possession, cultivation, production, transportation, delivery, receipt, sale, or purchase of medical cannabis or cannabis product may be lawful, from being used as a subterfuge, or means of evading the provisions of this chapter or the rules of the commission;
- (7) Require, on licensed premises, the destruction or removal of any containers or devices used or likely to be used in evading, violating, or preventing the enforcement of this chapter or the rules of the commission;
- (8) Refuse to issue or renew a license or registration card, or issue a citation if, upon investigation, the commission finds that the applicant for a license or registration card has not demonstrated the financial capacity to operate the business in a manner consistent with the rules of the commission or is not generally paying its debts as they come due except for debts as to which there is a bona fide dispute; and
- (9) Collect all license fees paid or due the state on account of each license issued to a medical cannabis establishment, or in respect to the renewal of any such licenses. The commission shall deposit collections with the state treasurer to be earmarked for and allocated to the commission, as described in § 68-7-406(b), for the purpose of the administration and enforcement of the duties, powers, and functions of the commission.

68-7-409. In addition to its functions, duties, and powers under § 68-7-408, the commission shall, in consultation with the department of health:

- (1) Accept and review petitions submitted by practitioners and potentially qualifying patients regarding medical conditions, medical treatments, or diseases to be added to the list of debilitating medical conditions that qualify for the medical use of cannabis;
- (2) Consider for approval any debilitating medical conditions, medical treatments, or diseases to be added to the list of debilitating medical conditions that qualify for the medical use of cannabis;
- (3) Promulgate rules regarding:
 - (A) Cannabis products, labeling standards, and doses;
 - (B) Approved forms or uses of cannabis products;
 - (C) Fees;
 - (D) Security requirements for medical cannabis establishments; and
 - (E) Procedures for the appeal of a license denied under § 68-7-105;
- (4) Promulgate a standardized form to be used by practitioners for written certifications. The form must be made available to qualifying patients on the commission's website and allow for the inclusion of the following information:
 - (A) Patient's diagnosis and corresponding medical code, if applicable;
 - (B) Severity of the patient's symptoms or condition on a scale of one (1) to ten (10); and
 - (C) Current and immediate past treatments for the patient's symptoms or condition;
- (5) Promulgate a standardized label for dispensed cannabis products that allows for dosage information, the qualifying patient's name and unique identification number, and a "use by" date;

(6) Identify the top ten (10) practitioners by the number of written certifications issued and share the list with the state professional boards for practitioners licensed to practice medicine in this state pursuant to title 63, chapter 6, or osteopathic medicine in this state pursuant to title 63, chapter 9;

(7) Consider complaints or reports regarding alleged abuses by practitioners relative to written certifications or diagnoses of debilitating conditions and notify the appropriate professional licensing board;

(8) Accept, review, and, if appropriate, approve requests for waivers for individualized exceptions to dosing restrictions;

(9) Consider and may establish physical appearance and signage standards for agricultural medicine centers; provided, that if standards are set by the commission, they must not be more burdensome than those applicable to comparable pharmacies and medical offices;

(10) Consider and may establish a medical cannabis research certification program in which the commission considers, approves, and grants research authorization to practitioners, qualified pharmacists, agricultural medicine centers, colleges and universities, medical schools, and colleges of pharmacy located in this state for purposes of studying medical cannabis or cannabis products;

(11) Consider and may promulgate a standardized form or questionnaire that may be used on a voluntary basis by qualifying patients at agricultural medicine centers as part of a research or longitudinal study of medical cannabis in the agricultural medicine program. Any form, questionnaire, or study, if established, must be compliant with the Health Insurance Portability and Accountability Act of 1996 (HIPAA) (42 U.S.C. § 1320d et seq.) and the rules and regulations promulgated by federal authorities in connection with HIPAA and may allow for a longitudinal study to include, but not be limited to, studying symptom modification, side effects, and efficacy of medical cannabis or medical cannabis products; and

(12) Develop registry identification cards that are to be issued to cardholders that include security features to prevent diversion, fraud, and abuse, including an area on the reverse side of the card for an agricultural medicine center to indicate the dispensing of cannabis products to or for a qualifying patient, and determine the information agricultural medicine centers must provide on the reverse side and the manner in which it is to be provided.

68-7-410. The commission is authorized and encouraged to apply for and utilize grants, contributions, appropriations, and other sources of revenue which must be deposited in the commission's general fund account to facilitate medical cannabis study and research under the medical cannabis research certification program. The commission shall also assist researchers with obtaining any necessary waivers and approval from the federal drug enforcement agency and food and drug administration for medical cannabis study and research under the medical cannabis research certification program.

68-7-411. The commission is authorized to investigate and examine the premises of any medical cannabis establishment, including the books, papers, and records of any medical cannabis establishment, for the purpose of determining compliance with this chapter. Any refusal to permit the examination of any such books, papers, and records, or the investigation and examination of such premises, constitutes sufficient reason for the revocation of a license or the refusal to issue a license.

68-7-412. In any action or suit brought against the members of the commission in their official capacity in a court of competent jurisdiction to review any decision or order issued by the commission, service of process issued against the commission may in their absence be lawfully served or accepted by the director on behalf of the commission as though the members of the commission were personally served with process.

68-7-413.

(a) In any case where the commission is given the power to suspend or revoke any license or registration card, it may impose a fine in lieu of or in addition to

suspension or revocation. The commission shall promulgate by rule pursuant to the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, a schedule setting forth a range of fines for each violation. The commission shall deposit collections of any fine with the state treasurer into the general fund of the state and credited to a separate account for the commission. For the purpose of imposing fines, each violation may be treated as a separate offense.

(b) Any document a person receives informing the person or entity of having a fine imposed upon such person or entity must cite each particular rule or statute the person or entity is being charged with violating.

(c) In any case where the commission is authorized to suspend or revoke a license or registration card, it may enter into an agreement by order with the licensee or registrant where the licensee or registrant voluntarily surrenders the license or registration card. The surrender is deemed a revocation of the license or registration card.

68-7-414. Any action brought against the commission must be brought in the circuit or chancery court of Davidson County.

68-7-415.

(a) The commission shall file a report with the attorney general and reporter whenever any person or entity licensed under this chapter:

- (1) Fails to account for or pay over any license fees or taxes or levies pursuant to this chapter; or
- (2) Has failed or refused to pay any obligations or liability or penalty imposed by this chapter.

(b) Upon receipt of the report under subsection (a), the attorney general and reporter shall institute the necessary action for the recovery of any such license fee, tax, levy, or any sum due the state of Tennessee under this chapter. The respective district

attorney general is ordered and directed to assist the attorney general and reporter whenever required under this subsection (b).

68-7-416. Beginning in 2020, the director of the commission shall file an annual report with the chief clerks of the senate and the house of representatives and the legislative librarian for the benefit of the judiciary and the health and welfare committees of the senate and the criminal justice and the health committees of the house of representatives no later than March 1 detailing with specificity each rule promulgated during the previous year together with the rationale for promulgating the rule. Before March 1 of each year, the director shall also appear before the committees for a review of the state's agricultural medicine program.

68-7-501. This chapter does not require:

- (1) A government medical assistance program or private insurer to reimburse a person for costs associated with the medical use of cannabis;
- (2) Any person or establishment in lawful possession of real property to allow a guest, client, customer, or other visitor to use cannabis products on or in that property; or
- (3) Any correctional facility to allow the possession or use of medical cannabis on the facility's grounds.

68-7-502.

(a) An employer is authorized to establish policies permitting, restricting, or prohibiting the use of medical cannabis products in the workplace.

(b) This chapter does not prohibit an employer from:

- (1) Disciplining an employee for using a medical cannabis product in the workplace or for working while under the influence of a medical cannabis product; or

- (2) Considering a job applicant's use of cannabis as a basis for refusing to hire the applicant for employment responsibilities described in § 50-9-106(a)(3)(A).

(c)

(1) Notwithstanding title 50, chapter 9, or any other law to the contrary, a public employer shall not take any adverse employment action against an employee who is a participating patient in the agricultural medicine program on the basis of a failed drug test attributable to a medical cannabis product without a reasonable suspicion that the employee is under the influence in the workplace.

(2) Subdivision (c)(1) does not apply to a person employed in a safety-sensitive position, as defined in § 50-9-103.

68-7-503.

(a) Any healthcare facility may adopt reasonable protocols on the use of cannabis by their residents or persons receiving inpatient services, including that:

(1) The facility is not required to store or maintain the patient's supply of cannabis product;

(2) The facility, caregivers, or agencies serving the facility's residents are not responsible for providing the cannabis product for qualifying patients; and

(3) Cannabis product be used or administered only in a place specified by the facility.

(b) This section does not require a healthcare facility to adopt restrictions on the medical use of cannabis.

(c) A healthcare facility shall not unreasonably limit a registered qualifying patient's access to or use of medical cannabis authorized under this chapter unless failing to do so would cause the facility to lose a monetary or licensing-related benefit under federal law.

68-7-504. Notwithstanding any law to the contrary, electronic payment and filing requirements for taxes levied under title 67 are waived and a medical cannabis establishment may file a return in paper form and remit payments in cash or other form approved by the department of revenue. The commissioner of revenue is authorized to require that any such paper filing be accompanied by a manual handling fee, not to exceed twenty-five dollars

(\$25.00), that is reasonably calculated by the department to account for the additional cost of preparing, printing, receiving, reviewing, and processing any paper filing.

SECTION 2. Tennessee Code Annotated, Section 4-29-242(a), is amended by adding the following as a new subdivision:

- () Agricultural medicine commission, created by § 68-7-401;

SECTION 3. Tennessee Code Annotated, Section 39-17-427, is amended by deleting the section and substituting instead the following:

It is an exception to this part if the person lawfully possessed, manufactured, or distributed the controlled substance as otherwise authorized by this part; title 53, chapter 11, parts 3 and 4; or title 68, chapter 7. Participation in the state's agricultural medicine program in accordance with title 68, chapter 7 does not imply illegal use of controlled substances regulated by the program.

SECTION 4. Tennessee Code Annotated, Title 39, Chapter 17, Part 13, is amended by adding the following as a new section:

39-17-1326. Notwithstanding any law to the contrary:

(1) A state or local law enforcement agency shall not use, or permit the use of, the electronic verification system or registry described in title 68, chapter 7 to determine whether a person is authorized to purchase, transfer, possess, or carry a firearm under this part;

(2) A person who is an authorized participant in the agricultural medicine program described in title 68, chapter 7, whether participating as a registered agent, patient, or caregiver, does not commit an offense under this part when purchasing, transferring, possessing, or carrying a firearm and the basis for the commission of the offense is the person's participation in such program; and

(3) The prohibition on the use of public funds, personnel, or property to be allocated to enforce federal laws governing firearms under § 38-3-115 applies to the

agricultural medicine program under title 68, chapter 7, and persons acting in accordance with such program.

SECTION 5. Tennessee Code Annotated, Section 67-6-320(a), is amended by deleting the following language:

There is exempt from the tax imposed by this chapter any drug, including over-the-counter drugs, for human use dispensed pursuant to a prescription. This exemption shall not apply to grooming and hygiene products.

and substituting instead the following:

There is exempt from the tax imposed by this chapter any drug, including over-the-counter drugs, for human use dispensed pursuant to a prescription. This exemption does not apply to grooming and hygiene products or medical cannabis products dispensed pursuant to title 68, chapter 7.

SECTION 6. Tennessee Code Annotated, Title 67, Chapter 6, Part 2, is amended by adding the following new section:

Notwithstanding this title to the contrary:

(1) The retail sale of medical cannabis products pursuant to the Tennessee Agricultural Medicine Act, compiled in title 68, chapter 7, is taxed at a rate equal to the rate of tax levied on the sale of tangible personal property at retail by § 67-6-202; and

(2) All revenue from the tax collected from the retail sale of medical cannabis products must be deposited in the state general fund and credited to a separate account for the commission.

SECTION 7. Notwithstanding any other law to the contrary, in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, the department of financial institutions shall promulgate rules authorizing medical cannabis establishments to use banking services, including the depositing of revenue, in Tennessee-chartered banks or other Tennessee-chartered financial institutions.

SECTION 8. If any provision of this act or the application of any provision of this act to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to that end, the provisions of this act are declared to be severable.

SECTION 9. For purposes of establishing the agricultural medicine commission, promulgating rules and forms, and conducting local option elections, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect January 1, 2020, the public welfare requiring it.